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MENTION Port Klang Free Zone (PKFZ), the first conjuncture is a multi-billion-ringgit financial scandal that had sent two past transport Cabinet ministers and several senior officials of Port Klang Authority (PKA) to court to face criminal charges.

Although no one was eventually found guilty after long-drawn court proceedings, the toxic publicity generated has made it impossible for PKFZ – Malaysia's first and only free trade zone that will turn 15 on Tuesday – to develop fast.

While other regional free trade zones – special economic zones which allow imports into and exports out of the zones to be free of taxes – have become matured industrial/commercial areas, Malaysia's PKFZ with 1,000 acres of land in Pulau Indah, Klang, has posted slow progress.

Yet, the managers and staff at PKFZ continued to perform their duties quietly and they are seeing the fruits of their labour now.

PKFZ, whose revenue has been rising slowly for years, expects to see net earnings hitting record RM83.28mil this year.

To date, PKFZ has attracted about RM7bil in local and foreign investments from 170 companies. Among these are multinationals such as Oslo-based Aker Solutions, New York-listed Baker Hughes, Schlumberger and Alstom of France, and US-based edible oil trading giant Cargill.

Things are also looking exciting for PKFZ, particularly after an engineer-turned-businessman with strong exposure and credential was appointed its new chairman on May 18.

"Last month, the last piece of our industrial land was leased. As of today, 100% of our 512 light industrial units are occupied, and commercial units – which have been vacant for the past 15 years –

Exciting time awaits PKFZ as it shrugs off scandalous past

Port Klang Free Zone (PKFZ), once accused as a 'ghost town' shunned by investors, is now thriving with industrial and commercial activities.

are taken up," declares Datuk Ir Lawrence Low Ah Keong in an interview with *Sunday Star* at PKFZ's office in Klang, Selangor.

"The scandal is behind us. The future of PKFZ is bright. We are planning a second PKFZ, with focus on zones for high-value players in oil and gas, automotive, rubber/medical products and e-commerce," the PKFZ chairman adds in his simple office.

Low explains PKFZ cannot just focus on warehousing as this can't generate many downstream economic activities and create more jobs.

As PKFZ's location is strategic, one of the world's shipping giants and its logistic unit have indicated they are keen to build a distribution hub here to cater for the Asean/Middle East region.

The London Metal Exchange (LME) two weeks ago approved the listing of two storage units in Port Klang, confirming PKFZ's rapid rise as a major LME warehousing hub, Reuters reported.

PKFZ held 1.01 million tonnes of registered metal at the end of July, or 43% of the total inventory in the exchange's global delivery network, added the news agency on Aug 28.

With the streaming in of these exciting news, it's no wonder Low has full optimism about the future of PKFZ in the two-hour interview. Below are excerpts:

> What are the challenges you see in heading PKFZ at a time when global economic outlook is gloomy amid Covid-19 pandemic?

We are in the midst of an unprecedented global crisis. However, during the movement control order (MCO) period, PKFZ



In good hands: Low is optimistic that the future of PKFZ is bright.

recorded an increase in demand for our storage facilities.

For the last piece of land, 20 companies were keen to take up the land during the recent tender exercise. This shows the vast interest in PKFZ.

Apart from our strategic location in the Melaka Straits and our competitive pricing, foreign factors also play a part. The US-China trade war, and now with India joining in the fray, has helped.

We are optimistic about our outlook and our plan to become a regional hub. We will be upgrading and expanding our infrastructure and services to meet customer needs. This is to generate economic benefits for the country as well as to reinforce the role of Port Klang as a regional maritime hub.

> What plans do you have for PKFZ after heading it for three months since May 18?

It has been more than 100 days since May 18.

I have been coming into office every week to spend one day here. I also have been calling board meeting every month.

We have started restructuring PKFZ, strengthening the management and operational areas we are weak in to ensure business activities are conducted according to standard operating procedure.

I have spent time with the management team over the past three months to chart our growth path. We have been reviewing our policies and procedures, stressing on good governance.



I realise that amid the gloomy economic outlook, opportunities do exist.

With our last piece of industrial land taken up, we are exploring ideas to grow new revenue streams.

During the last visit by Transport Minister Datuk Seri Wee Ka Siong, I informed him of my idea to build a second PKFZ at land adjacent to us that may not involve a lot of financing.

In the past (during the height of the scandal), PKFZ tried to lease out land on discounted prices, but there were few or no takers. DAP's Lim

Kit Siang even called PKFZ a white elephant.

Now, all pieces of land in PKFZ are taken up and two private landowners in adjacent area have offered their property to work with us.

If the new free trade zone is approved, I hope to attract companies involved in oil and gas, agro-commodities, polymers, automotive, rubber/medical products, iron and steel.

Also being considered is the creation of a dedicated zone for warehousing of alcohol and cigarettes, and an e-commerce hub.

> What was your first reaction when you were offered the job by the Transport Minister back in May? Why do you think you were chosen to head PKFZ?

I was rather surprised but grateful for the trust Datuk Seri Dr Wee has in me.

I am duty-bound to do the best to chart the future of PKFZ and turn it into a vibrant economic zone, with the board's guidance and support of the management team.

I guess the Minister saw the need to have a professional with business background and exposure to

manage PKFZ. I have been in this business for 16 years, having been involved in engineering consultancy, transportation, construction and property development sectors.

> Will the past multi-billion financial scandal come back or continue to haunt PKFZ?

The past is behind us. There are no more criminal suits in court. What are left are civil suits.

To recap, the idea of an integrated free industrial and commercial zone was first mooted in 1997. The actual launch was in 2005. So we will be 15 years old on Sept 8, 2020.

Looking forward: Low (third from left) accompanying Transport Minister Datuk Seri Dr Wee Ka Siong (centre) and Port Klang Authority chairman Datuk Chong Sin Woon (left) on their recent visit to PKFZ.

The free zone was aimed at building up a regional distribution and procurement hub to generate cargo volume for Port Klang. Unfortunately, the economic benefits of PKFZ were overshadowed by controversies while it was being developed.

At one stage, it looked like it was going to end up as a white elephant. It was even described as a "ghost town" by the media. But we survived all that. Today, PKFZ proves it is a viable project.

With 15 years of experience and hard knocks, we are moving forward to a new level of progress.

> Under your leadership, can PKFZ be guaranteed to have no more financial scandals?

With a strong governance structure and transparent procedures backed by a good team, we will avoid any more financial scandals.

Currently, the PKFZ team is strong, but we want it to be stronger. We will put the right people at the right place, tapping their individual strength.

Personally, as chairman of PKFZ, I will make sure a similar financial scandal will not happen again.

> Has PKFZ started making money?

We are the management company operating an entity (PKFZ), which is wholly owned by the Port Klang Authority.

We have been recording surpluses in our operation. We have been giving our surpluses to PKA, our parent company under the Transport Ministry.

This year, our revenue is expected to be around RM105mil and

surplus about RM83mil, after deducting our operating expenditure.

> Who are the prominent tenants and players at PKFZ now?

To date, PKFZ has attracted approximately RM7bil in local and foreign investments. These include storage, manufacturing, logistics, trading, re-packaging and value-added players.

There are 170 companies operating in PKFZ, including multinationals.

We are serving as a warehousing/distribution hub in Asia for London Metal Exchange. PKFZ/Port Klang is also one of the accredited "Good Delivery Points in Asia" for US-based InterContinental Exchange for cotton, coffee and cocoa.

One of the largest Middle-East petrochemical groups – Gulf Polymers Distribution Company – has relocated its South-East Asia distribution hub to PKFZ.

We are gaining credence as an emerging global distribution hub for commodities traded under the world's leading trading forums and companies.

As of today, all industrial land plots have been taken up. Development works on 104 acres are being carried out by seven lessees. Preparatory works on another 28 acres are ongoing.

All of the 512 Light Industrial Units (LIUs) are occupied. Most of the major LIU tenants are logistics services providers.

As for the commercial units, they were vacant in the last 15 years until we actively showed investors around the place. Recently, all were taken up.



Strategic location: Despite its slow start, all the industrial plots and commercial units of PKFZ have been taken up and one of the world's shipping giants and its logistic unit have indicated they are keen to build a distribution hub here to cater for the Asean/Middle East region.

New PKFZ chairman instils confidence

WHEN Datuk Ir Lawrence Low Ah Keong, 48, was appointed the new chairman of the Port Klang Free Zone (PKFZ) three months ago, port players who knew him brightened up.

One was Lai Ah Chek, director of Longmaju Sdn Bhd that brings Chinese investors into Malaysia's ports and vice versa.

"Lawrence can bring in business for Port Klang. His background as a businessman and past experience in government, plus his strong network in China, will help him monetise and restructure PKFZ," says Lai, also a logistics expert who has worked in China for Sime Darby Bhd for years.

PKFZ, Malaysia's only economic free trade zone, is located next to Port Klang (West Port and North Port). It is to help generate cargo for Port Klang.

"I have confidence in Lawrence's leadership. He has the team with him and knows the landscape well," Lai tells *Sunday Star*.

Low was political secretary to Datuk Seri Dr Wee Ka Siong, when the latter was Minister in the Prime Minister's Department under the Barisan Nasional government. Dr Wee is now the Transport Minister. During a 10-day official trip to China representing Dr Wee to promote Malaysia's "halal" investment opportunities, Low showed that he was able to articulate well in Mandarin and impressed Chinese officials with his speeches, accord-



Strong force: The PKFZ management team (from left) Jeremy Koo, Zalina Mat Nasir, Loh, Safuan and Adrian Lee.

ing to journalists in the delegation.

Lai reckons Low has a "good team" after he became PKFZ chairman. "I met his general manager and new CEO. I am sure they can run the show as professionals after Lawrence brings in the business."

In June, Loh Chee Chan – a director of Star Media Group – was appointed as chief executive officer. Loh is

a trained marine engineer with vast working experience in Singapore and Malaysia's shipping as well as port-related companies.

PKFZ's new general manager is Safuan Basir, an experienced accountant who has worked in the oil and gas, ICT, telecommunications, logistics and transportation sectors.

Low, who is on a two-year contract until 2022, replaces Chan Leng Wai who stepped down from the top PKFZ post in April after the fall of the previous government.

PKFZ is a 1,000-acre area in Pulau Indah, Port Klang, of which 950 acres are designated for free zone activities while the remaining 50 acres are for commercial activities.

Recently, all land plots and commercial units have been taken up by investors.

A businessman since 2004 and an MCA politician since 1997, Low acknowledges that the appointment is challenging.

"This is a challenging time as the economy has slowed and industries are affected. However, I pledge to do my best in this role," said Low, also an MCA central committee member, when he was given the appointment.

Hailing from Kuala Selangor, the civil engineering graduate from Universiti Teknologi Malaysia also possesses a masters in business administration degree from Charles Sturt University in Australia.

As the new chairman, Low has armed himself with ideas. He has come out with short- and long-term expansion and development plans for PKFZ. His idea of building a new PKFZ as part of the expansion plan is well-received by Dr Wee, who briefly mentioned this at a recent press conference after visiting Port Klang and meeting with industry players.

The friendly Low, who often wears a smile, sees his strength in networking. He has strong political, business and media contacts.

The fact that potential investors still come to PKFZ to look around, despite being told that all industrial plots have been occupied, stands testimony to his strong network and hardwork.